# GOVERNMENT OF INDIA
# FINANCE
# LOK SABHA

STARRED QUESTION NO:275
ANSWERED ON:16.03.2007
LOAN TO SSIs
Budholiya Shri Rajnarayan;Siddeswara Shri Gowdar Mallikarjunappa

**Will the Minister of FINANCE be pleased to state:**

(a) whether the Government has any plan to increase loan facilities to small and medium scale industries;

(b) if so, the detsils thereof;

(c) the target fix 3d for giving loans to small and medium scale industries and the amount of loans disbursed during the year 2006-07, State-wise, bank-wise;

(d) whether Pub ic Sector Banks/ Financial Institutions provide loan to sick Small Scale Industries (SSIs);

(e) if so, the details thereof;

(f) the amount cf loan outstanding against such industries, as on date, State-wise; and (g) the action taken/proposed to be taken against such industries?

## Answer

FINANCE MINISTER (SHRI P. CHIDAMBARAM)

(a) to (g): A statement \s laid on the Table of the House.

Statement placed on the Table of Lok Sao ha in reply to Parts {a) to (g) of Starred Question No.275 for answer on 16th March, 2006 regarding `Loan to SSIs` tabled by S/Shri G.M. SEtideswara and Rajnarayan Budholiya,

(a) to (c) : F:or stepping up credit to Small and Medium Enterprises (SMEs), Government of India had announced a Policy Package in Parliament on August 10, 2005 advising all Scheduled Commercial Banks including Public Sector Banks to fix their own targets for funding SMEs in order to achieve a minimum 20% year-on-year growth in credit to the SME sector. The present data collection system of Reserve Bank of India (RBI) doe;; not generate State-wise information in`respect of loans given by Public Sector Banks to SME sector. The Bank-wise position of amount outstanding in the books of Public Sector Banks as on 31st March, 2006 anci 31st December, 2006 in respect of loans given to SME sector is given at Annexure I.

(d) to (g): RBI has issued detailed guidelines to banks, from time to time, to detect sickness at an early stage and take remedial measures for rehabilitation of sick SSI units identified as potentially viable. The State Level Inter-Institutional Committee (SLI1C) has been i-.et up in each State under the convenorship of RBI to deal with the problems of co-ordination for rehabilitation of sick SSI units. Banks have been advised to ensure restructuring of debt of ail eligible small and medium enterprises. Sick SSI units that cannot be rehabilitated are encouraged to have one time settlement of their dues with the banks failing which action as per law is; taken for recovery of dues. The State-wise position of amount outstanding in the books of Scheduled Commercial Banks as on 31st March, 2006 in respect of sick Small Scale Industries is given at Annexure Il.